

***Facts At A Glance** is a monthly compilation of information of interest to Board Members, staff, and the general public. Information is current as of December 31, 2005, unless otherwise noted. Every effort has been made to verify the accuracy of the information, which is intended for general use only. Please direct any questions and comments to the Public Affairs Office at (916) 795-3991.*

VISION STATEMENT: Pride in *OUR* service; providing confidence for *YOUR* future.

MISSION

Our mission is to advance the financial and health security for all who participate in the System. We will fulfill this mission by creating and maintaining an environment that produces responsiveness to all those we serve.

BACKGROUND

The California Public Employees' Retirement System manages pension and health benefits for more than 1.4 million California public employees, retirees, and their families. As of June 30, 2005, we provided benefits to 1,016,982 active and inactive members and 431,901 retirees. CalPERS membership is divided approximately in thirds among current and retired employees of the state, schools, and participating public agencies.

CalPERS is a defined benefit retirement plan. It provides benefits based on a member's years of service, age, and highest compensation. In addition, benefits are provided for disability and death, with payments in some cases going to survivors or beneficiaries of eligible members.

The CalPERS health benefits program offers members and contracting employers three health maintenance organizations, two preferred provider organizations, and three special PPOs for members who belong to specific employee associations.

CalPERS was established by state law in 1932 to provide retirement benefits for state employees. In 1939, public agency and classified school employees were allowed to participate. In 1962, state law authorized CalPERS to provide health benefits to state employees. The health benefits program was expanded in 1967 to include public agency and school employees. CalPERS began offering long-term care insurance on a not-for-profit basis in 1995.

INCOME TOTALS OVER THE PAST 10 FISCAL YEARS

Year	Member Contributions	Employer Contributions	Investment and Other Income
2004-05	\$3,176,781,000	\$5,774,120,000	\$21,894,201,000
2003-04	2,266,445,429	4,261,347,422	24,272,572,596
2002-03	1,887,925,497	1,925,043,858	5,482,731,568
2001-02	2,154,742,532	800,964,553	-9,699,792,798
2000-01	1,766,256,113	321,618,826	-12,248,341,399
1999-00	1,751,290,172	362,614,344	16,582,657,910
1998-99	1,522,507,527	1,598,316,666	17,622,526,922
1997-98	1,443,232,566	2,289,526,403	23,518,904,869
1996-97	1,379,743,571	1,986,282,287	20,455,866,430
1995-96	1,338,044,978	1,850,103,438	13,137,202,083

NUMBER OF EMPLOYEES: 1,811 (budgeted positions as of July 1, 2005)

Total CalPERS administrative expenditures

2001-02 (actual)	\$240,642,736
2002-03 (actual)	\$244,718,994
2003-04 (actual)	\$230,038,192
2004-05 (actual)	\$245,315,739
2005-06 (budgeted)	\$250,316,568

BOARD OF ADMINISTRATION

13 members: 6 elected / 3 appointed / 4 statutory-designated members

*6 members elected by:

All members — Charles P. Valdes (2010)
Kurato Shimada (2010)

Active state members — George Diehr (2007)

Active school members — Rob Feckner, President (2007)

Active public agency members — Priya Sara Mathur (2007)

Retired members — Robert F. Carlson, Vice President (2008)

*3 appointed members:

Governor appointees — Tony Oliveira (2007); Marjorie Berte (2009)

Speaker & Senate Rules Committee appointee — Mike Quevedo Jr. (2008)

4 statutory designated members:

State Treasurer — Philip Angelides

State Controller — Steve Westly

Director of Dept. of Personnel Administration — Michael Navarro

Member designated by the State Personnel Board — Maeley Tom

**All board member terms expire in January of specified years.*

CalPERS CHRONOLOGY

- 1931 — CalPERS established by State legislation
- 1932 — Became operational for retirement benefits for State employees
- 1939 — Public agencies and classified school employees allowed to contract for retirement benefits
- 1962 — Public Employees' Medical & Hospital Care Act allows CalPERS to provide health insurance benefits for State employees
- 1967 — Health Program expanded to include local public employees on a contract basis
- 1984 — CalPERS initiates corporate governance reform program
- 1984 — Proposition 21 approved by voters allows CalPERS to investment more than 25 percent of fund portfolio in stocks
- 1990 — Long-Term Care Act allows CalPERS to offer LTC insurance to CalPERS, STRS, and County Employees' Retirement Law of 1937 members
- 1992 — California voters approve Proposition 162, establishing the CalPERS Board's absolute and exclusive authority over the administration and investment of pension funds
- 1996 — CalPERS pension fund reaches \$100 billion on May 14, 1996
- 1996 — Long-Term Care Program expanded to include all California public employees and retirees
- 1996 — CalPERS launches International Corporate Governance Program
- 1997 — CalPERS launches CalPERS On-Line Web site
- 1997 — CalPERS adopts corporate governance principles for United Kingdom
- 1997 — CalPERS increases public disclosure of decision making
- 1998 — CalPERS adopts U.S. corporate governance standards
- 1998 — CalPERS adopts strategy for private equity investments
- 1998 — CalPERS Board sponsors "retirement equity" legislation
- 1999 — CalPERS urges American corporations to disclose Y2K readiness to investors
- 1999 — CalPERS launches corporate governance Web site; draws worldwide interest
- 2000 — CalPERS designates May "Retirement Planning Month"
- 2001 — CalPERS earmarks \$457 million to 11 California private equity firms; investments to target California's under-served markets
- 2001 — CalPERS breaks ground on Headquarters Expansion Project
- 2002 — CalPERS launches financial market reform initiative with principles and action plan to prevent future Enron-type accounting abuses.
- 2003 — CalPERS and other investors call on "expatriate" firms to return to U.S. to restore shareholder confidence
- 2003 — CalPERS adopts plan to crack down on executive compensation abuses
- 2003 — CalPERS launches eNews service; also adds "Press Room" to Web site

- 2003 — CalPERS sues NYSE for trading specialist abuses that hurt investors
- 2004 — CalPERS launches new improved CalPERS On-Line Web site on March 27
- 2004 — CalPERS initiates Environmental Technology Investment Program
- 2004 — CalPERS adopts reduced hospital network, regional health plan pricing
- 2004 — CalPERS gets AAA rating from Fitch Ratings
- 2005 — CalPERS adopts employer rate “smoothing” policy to reduce rate volatility
- 2005 — CalPERS pension fund reaches \$200 billion milestone on November 21

ACTUARIAL INFORMATION (as of June 30, 2004)

Each year CalPERS actuaries calculate a *funded ratio* — the ratio of assets in the fund to the liabilities for each retirement plan. The funded ratios vary from year to year but are expected to approach 100 percent in the long run.

FUNDED STATUS OF RETIREMENT PLANS BY MEMBER CATEGORY

Member Category	6/30/00	6/30/01	6/30/02	6/30/03	6/30/04
State	110.5%	103.7%	90.3%	84.0%	84.1%
School	124.2%	116.3%	97.4%	91.7%	92.7%
Public Agency	127.3%	114.8%	98.1%	88.7%	87.2%

Notes

1. There are five plans in the state category with funded ratios between 80.1 percent and 89.7 percent as of June 30, 2004. The funded ratio for the state is an aggregate of all five plans.
2. As of June 30, 2004, there were 1,929 plans with active members in the public agency category. Of these, 459 public agencies were in non-pooled plans and the others were in one of nine risk pools. For non-pooled plans about 6 percent of the plans are below 75 percent funded; about 86 percent of the plans are between 75 and 100 percent funded; and approximately 8 percent of the plans are 100 percent funded or better. All of the pooled plans are between 75 percent and 100 percent funded.

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